

Cv22-5072816

RETURN DATE: : SUPERIOR COURT
TCI BUSINESS CAPITAL, A DIVISION OF : J.D. OF HARTFORD
FIDELITY BANK
VS. : AT HARTFORD
LIFELINE STAFFING AGENCY, LLC, ET : , 2022
AL

COMPLAINT

FIRST COUNT (AS TO LIFELINE STAFFING AGENCY, LLC):

1. The plaintiff is TCI Business Capital, a Division of Fidelity Bank (“TCI”), a state-chartered Minnesota bank, maintaining an office and place of business at 7600 Parklawn Avenue, Edina, Minnesota.

2. The defendant, Lifeline Staffing Agency, LLC (“LSA”), is a Virginia limited liability company, authorized to transact business in the State of Connecticut, maintaining an office and place of business at 2389 Main Street, Glastonbury, Connecticut.

3. TCI provides extensions of credit in the form of invoice factoring, whereby its customers sell their accounts receivable and assign the rights to collect all accounts receivable to TCI, in exchange for TCI’s extension of credit to such customers through formulae outlined in the contractual agreements entered into between TCI and its customers.

4. LSA provides skilled medical personnel to hospitals, nursing homes and other health care facilities on a contract basis, including skilled nursing facilities located in Connecticut.

5. On or about November 17, 2021, TCI and LSA entered into a certain Factoring, Security and Servicing Agreement (“the Agreement”), whereby LSA agreed to sell certain of its

accounts receivable (“the Accounts”) to TCI in exchange for TCI’s extension of credit to LSA. A copy the Agreement is appended hereto as Exhibit A.

6. The Agreement, in pertinent part, provided that TCI could advance funds in an amount not to exceed 90% of the purchase price that TCI paid to LSA for the Accounts.

7. Also, pursuant to the Agreement, LSA was to facilitate repayment of the sums advanced by TCI to LSA by, *inter alia*, notifying the skilled nursing facilities to which LSA was providing employees that such facilities must tender the payments otherwise owed to LSA to TCI, in accordance with the instructions provided by LSA to those facilities through a certain Notice of Sale and Assignment of Accounts of Lifeline Staffing Agency LLC (“the Notice”). A copy of the Notice is appended hereto as Exhibit B.

8. Pursuant to the Agreement, TCI purchased and was assigned certain Accounts from LSA, including the accounts pertaining to certain skilled nursing facilities in Connecticut, namely Glastonbury Health Care Center, Laurel Ridge Health Care Center, Litchfield Woods Health Care Center, Valerie Manor Health Care Center and Wadsworth Glen Healthcare Center, all of which are owned, operated and/or otherwise controlled by the defendant, Athena Health Care Associates, Inc. (“Athena”), as well as to a non-Athena owned entity, Hagerstown Healthcare Center (“HHC”). These facilities are hereinafter referred to, respectively as “the Athena Facilities” and “the HHC Facility.”

9. Pursuant to the Agreement, TCI purchased Accounts from LSA and LSA assigned to TCI the accounts for sums owed by the Athena Facilities and the HHC Facility to LSA for LSA’s provision of skilled medical personnel to the Athena Facilities and the HHC Facility, which accounts totaled \$2,011,648.25.

10. As required by the Agreement, LSA notified Athena and HHC that all payments otherwise owed for the skilled medical personnel provided by LSA to the Athena Facilities and the HHC Facility must be remitted to TCI.

11. In accordance with the Agreement, TCI had advanced the sum of \$1,133,989.02 to LSA.

12. Furthermore, TCI imposed certain contractually-provided fees of \$88,944.61 upon LSA which, when added to the amount advanced, resulted in a balance of \$1,222,933.63 owed by LSA to TCI that, under the Agreement, was to have been remitted to TCI by collection of the Athena Facilities and HHC Facility's respective Accounts.

13. As of April 12, 2022, after crediting the cash reserves that TCI had withheld, pursuant to the Agreement, in the amount of \$70,089.58, LSA owed \$1,152,844.05 for the skilled medical personnel provided by LSA to the Athena Facilities and HHC Facility, which sum is now entirely delinquent and past due.

14. Under the Agreement, LSA is responsible to pay TCI all such delinquent sums that have not been remitted by LSA's customers, including the delinquent sums owed by Athena and HHC.

15. In addition to the amount of \$1,152,844.05 that is owed by Athena and HHC on the Accounts purchased by TCI, LSA is also liable to TCI for additional fees, consisting of a Closing Account Fee of \$750, a Renotification Fee of \$500 and a New Business Set-up Fee of \$392, bringing the total amount associated with the Athena Facilities that is owed by LSA to TCI to \$1,154,486.05.

16. Despite demand by TCI, LSA has neglected and refused to pay the sums it owes to TCI under the terms and conditions of the Agreement.

17. Furthermore, the Agreement confers the right upon TCI to hold LSA liable for the attorneys' fees and other costs incurred by TCI to enforce its rights thereunder, as found in Sections 1.10, 6.2(g) and 8.6.

18. As a direct consequence of LSA's breach of the Agreement, TCI has suffered injuries and damages.

SECOND COUNT (AS TO ATHENA):

1. – 18. Paragraphs 1 through 18 of the First Count are hereby realleged and reincorporated as Paragraphs 1 through 18 of the Second Count as if fully set forth herein.

19. Athena is a Connecticut corporation, maintaining an office and place of business at 135 South Road, Suite 1, Farmington, Connecticut.

20. Pursuant to the Agreement, specifically Section 4.1(b) thereof, TCI, as assignee, possesses the sole and exclusive right to collect Accounts.

21. As such, TCI is the assignee of LSA under the contractual agreement reached between LSA and the Athena Facilities.

22. TCI, as assignee, in the exercise of its rights to collect the Accounts, has made demand upon Athena for payment of all sums owed for LSA's provision of skilled medical personnel to the Athena Facilities, which sums total \$1,987,520.85.

23. Despite such demand, Athena has neglected and refused to pay the sums owed to TCI for the Athena Facilities Accounts purchased by TCI from LSA.

24. Such failure constitutes a breach of the contractual arrangement reached between LSA and Athena for LSA's provision of skilled medical personnel to Athena.

25. As assignee of LSA, TCI has sustained injuries and damage as a consequence of Athena's failure to pay what is owed for LSA's provision of skilled medical personnel to Athena.

THIRD COUNT (AS TO ATHENA):

1. – 20. Paragraphs 1 through 20 of the Second Count are hereby realleged and reincorporated as Paragraphs 1 through 20 of the Third Count as if fully set forth herein.

21. In providing skilled medical personnel to the Athena Facilities, LSA conferred a benefit upon Athena valued at \$1,987,520.85.

22. Athena had knowledge of the benefit conferred upon it by LSA.

23. Athena has unjustly failed and/or refused to pay TCI, as assignee of LSA by virtue of TCI's purchase and assignment of the Athena Facilities' Accounts, pursuant to the Agreement, for the benefit conferred upon Athena.

24. Athena's failure to pay TCI for the benefit conferred upon it is unfair in that Athena has been unjustly enriched to the detriment of TCI, as assignee of LSA.

25. TCI has been damaged thereby.

WHEREFORE, the plaintiff claims:

AS ALL COUNTS:

1. Money damages;
2. Pre- and post-judgment interest, pursuant to C.G.S. §37-3a;
3. Costs; and
4. Any other relief, legal or equitable, that the Court deems proper.

AND, IN ADDITION, AS TO THE FIRST COUNT:

Costs of collection, including reasonable attorneys' fees, as permitted under the Agreement.

THE PLAINTIFF,
TCI CAPITAL, A DIVISION OF FIDELITY BANK

By: _____
Thomas J. Sansone
For: Carmody Torrance Sandak & Hennessey LLP
195 Church Street
P.O. Box 1950
New Haven, CT 06509-1950
(203) 777-5501 (telephone)
(203) 784-3199 (fax)
Its Attorneys

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STATEMENT OF RELIEF SOUGHT

Monetary damages in excess of Fifteen Thousand Dollars (\$15,000.00), exclusive of interest and costs, is sought herein.

THE PLAINTIFF,
TCI CAPITAL, A DIVISION OF FIDELITY BANK

By: _____
Thomas J. Sansone
For: Carmody Torrance Sandak & Hennessey LLP
195 Church Street
P.O. Box 1950
New Haven, CT 06509-1950
(203) 777-5501 (telephone)
(203) 784-3199 (fax)
Its Attorneys

EXHIBIT A

FACTORING, SECURITY AND SERVICING AGREEMENT

THIS FACTORING, SECURITY, AND SERVICING AGREEMENT (this "Agreement") is entered into in Houston, Texas between TCI Business Capital, a division of Fidelity Bank ("Purchaser"), with offices at 8554 Katy Fwy, Suite 320, Houston Texas 77024, and LIFELINE STAFFING AGENCY LLC, a/an (Virginia- Limited Liability Company) ("Seller"), whose chief executive office is located at 2227 OLD BRIDGE RD, WOODBRIDGE, VA 22192 ("Seller's Address").

1. Factoring.

1.1 Sale of Accounts. Seller shall present to Purchaser Eligible Accounts for purchase pursuant to this Agreement in a form acceptable to Purchaser. Seller agrees that it will sell its Accounts only to Purchaser as Seller's sole factor, and Seller hereby assigns and sells to Purchaser, as absolute owner, all Accounts. Purchaser shall have sole discretion whether to purchase and advance funds on Eligible Accounts.

1.2 Purchase Price of Accounts. The Purchase Price of each Eligible Account accepted by Purchaser shall be the gross face amount of the Account (the "Gross Invoice Amount") less all credits, discounts and allowances, granted to, or claimed by, the Account Debtor and disclosed to Purchaser prior to Purchaser's purchase of the Eligible Account.

1.3 Factoring Fees. Purchaser shall charge Seller the Factoring fees for each purchased Account as provided for in Schedule A, No. 2.

1.4 Reserve. Purchaser shall hold as a Reserve, in cash or credit, the portion of the face amount of an Eligible Invoice not paid to Seller (i.e. an amount equal to 100 percent of the face amount of a Purchased Account less the Maximum Factoring Advances Percentage, or the entire face amount of accounts presented for sale but not advanced upon). Purchaser may, from time to time, at its sole discretion, charge the aggregate Reserve with: (a) any losses which may be incurred in relation to any Account purchased hereunder; (b) any Accounts that Purchaser determines are not Eligible Accounts; (c) anticipated fees identified and payable under this Agreement; or (d) any other obligation due to Purchaser under this Agreement. The maintenance of the Reserve shall not vest the Seller any right, title, or interest therein, it being understood that the amounts held as the Reserve shall be kept as a reserve to pay the Obligations of the Seller incurred under the provisions of this Agreement. Within a reasonable time of receipt of payment in full by TCI of a purchased Account, provided that there is no Event of Default, and upon the Purchase of additional Eligible Accounts, Purchaser shall advance to Seller available cash from the Reserve, according to the timing specified at Schedule A, No. 6. Purchaser, in its sole discretion, may adjust the percentage of the Reserve or may hold funds in the Reserve in order to secure the Obligations.

1.5 Repurchase Rights. Purchaser may require that Seller immediately repurchase an Account, by payment of the then unpaid face amount of any purchased Account, together with any unpaid fees and other amounts owed relating to the purchased Account, or at Purchaser's option, by charge to the Reserve, upon any of the following events: (a) an Account is not paid by the Account Debtor within 90 days of buying the purchased Account; (b) Seller has breached any warranties or promises in this Agreement; (c) Seller and Account Debtor are involved in a Dispute of any kind, regardless of validity; (d) the Account Debtor asserts a claim of loss of any kind against Seller and/or Purchaser; and/or Purchaser, for any reason, deems an Account insecure or unlikely to be paid by the Account Debtor. Purchaser is under no obligation to investigate the validity of any Dispute.

1.6 Assignments and Other Documentation. All bills and invoices for all Accounts assigned to or purchased by Purchaser hereunder shall bear written notice of the sale and assignment of payments on Accounts in a form acceptable to Purchaser. In the event that Purchaser requires a written notice on Seller's invoices and Seller sends to an Account Debtor any invoice evidencing a purchased Account, which does not contain such notice, (or such other notation otherwise acceptable to Purchaser as provided for in this Section), it will be impracticable or extremely difficult to determine the resulting damages suffered by Purchaser. It is therefore agreed that Seller shall immediately pay to Purchaser as liquidated damages the Missing Notation Fee.

1.7 Online Statement of Account. Purchaser shall post all of Seller's non-default account activity online via access from Purchaser's website, which shall constitute Seller's Online Statement of Account, with respect to any non-default activity. Purchaser shall not send Seller any hard copies of any activities which constitute Seller's Online Statement of Account. Provided that there is no Event of Default, Purchaser shall provide Seller with continuous access to view the Online Statement of Account. Seller shall be solely responsible for checking its Online Statement of Account. If Seller disputes any entry on the Online Statement of Account it shall, within thirty (30) days after the first posting of the event, send to Purchaser a written exception to such event. Unless Purchaser receives a timely written exception to the activity posted to the Online Statement of Account, within thirty (30) days after it is first posted, the Online Statement of Account shall become an account stated and be deemed accepted by Seller and shall be conclusive and binding upon the Seller. Purchaser's posting of the Online Statement of Account shall satisfy any requirements for, or requests for an accounting, pursuant to the UCC. The Online Statement of Account may, but need not, contain all applicable fees and charges which are payable to Seller upon an Event of Default.

1.8 Term of this Agreement, Minimum Discount Fee. This Agreement shall be in effect for the Original Term and shall automatically renew for consecutive Renewal Terms unless terminated by either party giving the other written notice not less than sixty (60) days prior to the end of the Original Term or any Renewal Term, which written notice shall clearly state its intention to terminate at the end of the current term. Purchaser may terminate this Agreement at any time after an Event of Default. As consideration for Purchaser making the necessary financial accommodations and foregoing other factoring opportunities available in the market place, Seller agrees to pay the Purchaser during the Original Term and for each Renewal Term, the Minimum Monthly Discount Fee. If, at the end of each monthly period, the Discount Fees paid by Seller is less than the Minimum Monthly Discount Fee, Purchaser may charge Seller with the amount of such deficiency. If the

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[Handwritten Signature]

Purchaser terminates this Agreement at any time upon the occurrence of an Event of Default, Seller shall remain obligated to pay the total of the Minimum Monthly Discount Fee for the time remaining for the Original Term or Renewal Term, as the case may be.

1.9 Seller's Post-Termination Liability. After termination Seller shall be liable to Purchaser for the full and prompt payment of the full amount of purchased Accounts, which are then outstanding and unpaid, disputed or undisputed, as well as any other then outstanding Obligation. Purchaser continues to have a security interest in the Collateral of Seller until all Obligations of Seller are paid in full.

1.10 Other Fees and Costs. Seller shall pay Purchaser all other fees and costs incurred hereunder immediately when due, including, but not limited to, those services charges or fees listed at Schedule A, No. 7. Purchaser may also charge additional fees for out-of-pocket costs, including but not limited to filing fees, attorney's fees and disbursements, and internally allocated costs.

1.11 Servicing of Accounts. Purchaser shall also provide Account collection services, which includes, but is not limited to, establishing credit facilities with Account Debtors, monitoring the foregoing credit facilities, and interfacing with the Account Debtors regarding such credit facilities.

2. Collateral, Grant of Security Interest, ACH Authorization; Online Access to Deposit Accounts.

2.1 Collateral. As security and collateral for the Obligations, Seller hereby grants Purchaser a continuing security interest in, and assigns to Purchaser, all of Seller's right, title and interest in and to the Collateral.

2.2 Filing Authorization. Seller hereby authorizes Purchaser to file any document they deem necessary to perfect its security interest in the Collateral, including, but not limited to, UCC-1 financing statements and any applicable amendments or continuation statements, or any other document necessary to perfect Purchaser's security interest in the Collateral.

2.3 ACH Authorization. In order to satisfy any of the Obligations and facilitate the purchase of Accounts, Purchaser is hereby authorized by Seller to initiate electronic debit or credit entries through the ACH.

3. Representations, Warranties and Covenants of Seller. To induce Purchaser to enter into this Agreement, Seller represents and warrants that each of the following representations and warranties now is and hereafter will continue to be true and correct in all respects and Seller has and will timely perform each of the following covenants:

3.1 Existence and Power. If Seller is a partnership, limited liability company or corporation, Seller is and will continue to be duly authorized, validly existing and in good standing under the laws of the jurisdiction of its organization. Seller is and will continue to be qualified and licensed in all jurisdictions in which the nature of the business transacted by it, or the ownership or leasing of its property, make such qualification of licensing necessary, and Seller has and will continue to have all requisite power and authority to carry on its business as it is now, or may hereafter be, conducted.

3.2 Authority. Seller is, and will continue to be, duly empowered and authorized to enter into, and grant security interests in its property, pursuant to and perform its Obligations under this Agreement, and all other instruments and transactions contemplated hereby or relating hereto. The execution, delivery and performance by Seller of this Agreement, and all other instruments and transactions contemplated hereby or relating hereto, have been duly and validly authorized, are enforceable against the Seller in accordance with their terms, and do not and will not violate any law or any provision of, nor be grounds for acceleration under, any agreement, indenture, note or instrument which is binding upon Seller, or any of its property

3.3 Name, Trade Names and Styles. Seller has set forth above its absolutely true and correct name. Set forth in Schedule A, No. 9, is each prior true name of Seller and each fictitious name, trade name and trade style by which Seller has been, or is now known, or by which Seller has previously transacted, or now transacts, business. Seller shall provide Purchaser with thirty (30) calendar days' advance written notice before doing business under any other name, fictitious name, trade name or trade style. Seller has complied, and will hereafter comply, with all laws relating to the conduct of business under, the ownership of property in, and the renewal or continuation of the right to use, a corporate, fictitious or trade name or trade style.

3.4 Place of Business; Location of Collateral. Seller's books and records, including, but not limited to, the books and records relating to Seller's Accounts are and will be kept and maintained at Seller's Address unless and until Purchaser shall otherwise consent in writing. In addition to Seller's Address, Seller has places of Business and Collateral located only at the following locations: See Schedule A, No. 10. Seller will provide Purchaser with at least thirty (30) calendar days advance written notice in the event Seller moves the Collateral, or obtains, opens or maintains any new or additional place(s) for the conduct of Seller's business or the location of any Collateral, or closes any existing place of business.

3.5 Title to Collateral; Liens. With the exception of Accounts purchased hereunder where title vests with Purchaser, Seller is now, and will at all times hereafter be, the true, lawful and sole owner of all the Collateral. Except for the security interest granted to Purchaser and any Permitted Liens, the Collateral now is and will hereafter remain, free and clear of any and all liens, charges, security interests, encumbrances and adverse claims. Except as expressly provided to the contrary in this Section, Purchaser now has, and will hereafter continue to have, a fully perfected and enforceable first priority security interest in all of the Collateral, and Seller will at all times defend Purchaser and the Collateral against all claims and demands of others.

3.6 Accounts. Each and every Account assigned to Purchaser shall, on the date the assignment is made and thereafter, comply with all of the following representations, warranties and covenants: (a) each Account represents an undisputed bona fide existing

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unconditional obligation of the Account Debtor created by the sale, delivery, and acceptance of goods or the rendition of services in the ordinary course of Seller's business; (b) each Account is owned by Seller free and clear of any and all deductions, Disputes, liens, security interests and encumbrances, except for any Permitted Liens; (c) the Account Debtor has received and accepted the goods sold and services rendered which created the Account and the invoice therefore and will pay the same without any Dispute; (d) no Account Debtor on any Account is a shareholder, director, partner or agent of Seller, or is a person or entity controlling, controlled by or under common control with Seller; (e) no Account is owed by an Account Debtor to whom Seller is or may become liable in connection with goods sold or services rendered by the Account Debtor to Seller or any other transaction or dealing between the Account Debtor and Seller; (f) each Account represents goods sold or services rendered by Seller; and (g) the Account Debtor is solvent and has the financial ability to pay. Immediately upon discovery by Seller that any of the foregoing representations, warranties, or covenants are or have become untrue with respect to any Account, Seller shall immediately give written notice thereof to Purchaser. In the event that Seller breaches the warranty contained in this Section, it will be impracticable or extremely difficult to determine the resulting damages suffered by Purchaser. It is, therefore, agreed that Seller shall immediately pay to Purchaser as liquidated damages the Invalid Invoice Fee for each Purchased Account which violates the warranty contained in this Section. Seller will promptly notify Purchaser of any Dispute and settle all Disputes, at Seller's own cost and expense (including attorneys' fees), and Seller will immediately pay Purchaser the amount of all Accounts affected by any Dispute. Any Dispute not settled by Seller within thirty (30) calendar days after the maturity of the invoice affected thereby may, if Purchaser so elects, be settled, compromised, adjusted or litigated by Purchaser directly with the Account Debtor or other complainant for Seller's account and risk and upon such terms and conditions as Purchaser, in Purchaser's sole discretion, deems advisable. Purchaser is under no duty to investigate the validity or merits of any Dispute. Purchaser may also, in Purchaser's sole discretion, take possession of and sell or cause the sale of any returned or recovered merchandise, at such prices, upon such terms and to such purchasers as Purchaser deems proper, and, in any event, to charge the deficiency, costs and expenses thereof, including attorneys' fees, to Seller. In addition to all other rights Purchaser has hereunder, whenever there is any Dispute, or if any Account as to which Purchaser has not assumed the risk of nonpayment is unpaid at its maturity, Purchaser may charge the amount of the Account so affected or unpaid (as well as all other Accounts due and owing from that Account Debtor) to Seller; but such chargeback shall not be deemed nor shall it constitute a reassignment to Seller of the Account affected thereby, and title thereto and to the Goods giving rise thereto shall remain with Purchaser until Purchaser is fully reimbursed, regardless of the date or dates on which Purchaser charges back the amount of any Account with respect to which there is any Dispute, or the amount owing from an Account Debtor which has raised any Dispute.

3.7 Documents Genuine, Legal Compliance, Disposition. All statements made and all unpaid balances appearing in all invoices, bills of lading, receiving documents, shipping receipts, shipper contracts, rate confirmations, instruments, supporting documents and other documents evidencing the Accounts are and shall be true and correct and all such invoices, bills of lading, receiving documents, shipping receipts, shipper contracts, rate confirmations, instruments and other documents and all of Seller's books and records are and shall be genuine and in all respects what they purport to be and all signatories and endorsers have full capacity to contract. All sales and other transactions underlying or giving rise to each Account shall fully comply with all applicable laws and governmental rules and regulations. All signatures and endorsements on all documents, instruments, and agreements relating to all Accounts are and shall be genuine and all such documents, instruments and agreements are and shall be legally enforceable in accordance with their terms. Seller has not, and shall not hereafter sell, assign, pledge, encumber, forgive (completely or partially), settle for less than payment in full, or transfer or dispose of any Account, or agree to do any of the foregoing.

3.8 Maintenance of Collateral. Seller has maintained and will hereafter maintain the Collateral and all of Seller's assets useful or necessary in the conduct of Seller's business in good working order and condition, at Seller's sole cost and expense. Seller will not use the Collateral or any of Seller's other properties, or any part thereof, in any unlawful business or for any unlawful purpose and will not secrete or abandon the Collateral, such properties, or any part thereof. Seller will immediately advise Purchaser in writing of any event causing loss or depreciation and of any material adverse change in the condition of the Collateral or of any of Seller's other properties.

3.9 Books and Records. Seller has maintained and will continue to maintain at Seller's Address complete and accurate books and records comprising a standard and modern accounting system in accordance with generally accepted accounting principles that accurately and correctly record and reflect Seller's income, expenses, liabilities, operations, accounts, and ownership and location of the Collateral and any other asset now or hereafter belonging to Seller. All reserves (including, without limitation, reserves for bad debts, depreciation and taxes) provided for upon Seller's books and records are now, and will hereafter be, maintained in sufficient amounts in accordance with generally accepted accounting principles consistently applied. All such books and records and all documents relating to any of the Collateral are and will continue to be genuine and in all respects what they purport to be and will contain such information as may be requested by Purchaser.

3.10 Financial Condition and Statements. All financial statements (including, but not limited to, balance sheets, profit and loss figures, and accountants' comments) now or hereafter delivered to Purchaser have been, and will be, prepared in conformity with generally accepted accounting principles and now and hereafter will completely and accurately reflect the financial condition, contingent liabilities and results of Seller and Seller's operations at the times and for the periods therein stated. Seller is now, and, at all times hereafter, will continue to be solvent. Seller shall provide Purchaser with copies of all financial statements and any other documents reflecting Seller's financial situation within thirty (30) calendar days after Purchaser's request.

3.11 Tax Returns. Seller has timely filed, and will hereafter timely file, all tax returns and reports required by foreign, federal, state or local law. Seller has timely paid, and will hereafter timely pay, all foreign, federal, state and local taxes, assessments, deposits and contributions now or hereafter owed by Seller (including, but not limited to, income, franchise, personal property, real property, FICA, excise, withholding, sales and use taxes). Seller is unaware of any claims or adjustments proposed for any of Seller's prior tax years which could result in additional taxes becoming due and payable by Seller. When requested, Seller will furnish Purchaser with proof satisfactory to Purchaser of Seller's making the payment or deposit of all such taxes, such proof to be delivered within five (5) days after the due date.

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established by law for each such payment or deposit. In the event Seller fails or is unable to pay or deposit such taxes, Purchaser may, but is not obligated to, pay the same and treat all such advances as a Special Accommodation to Seller.

3.12 Compliance with Law and Environmental Laws—Registrations, Licensing, Operating Authority, and Permits. Seller has complied, and will hereafter comply, with all provisions of all foreign, federal, state and local law relating to Seller, including, but not limited to, those relating to Seller's ownership of real or personal property, conduct and licensing of Seller's business, and employment of Seller's personnel. Seller holds, and will hereafter hold and maintain valid and current licensing, operating authority, operating permits, registrations, and safety permits, as required under federal law, state law, and local law, for the conduct of Seller's business. Seller has been and is currently in compliance with all applicable Environmental Laws, including obtaining and maintaining in effect all permits, licenses or other authorizations required by applicable Environmental Laws. There are no claims, liabilities, investigations, litigation, administrative proceedings, whether pending or threatened, or judgments or orders relating to any hazardous materials asserted or threatened against Seller or relating to any real property currently or formerly owned, leased or operated by Seller.

3.13 Litigation. There is no claim, suit, litigation, proceeding or investigation pending or threatened by or against or affecting Seller in any court or before any regulatory commission, board or other governmental agency (or any basis therefore known to Seller) which might result, either separately or in the aggregate, in any adverse change in the business, prospects or condition of Seller, or in any impairment in the ability or right of Seller to carry on its business in substantially the same manner as it is now being conducted. Seller will immediately inform Purchaser in writing of any claim, proceeding, litigation or investigation hereafter threatened or instituted by or against Seller.

3.14 Complete Disclosure. There is no fact which Seller has not disclosed to Purchaser in writing which could materially adversely affect the properties, business or financial condition of Seller or any of the Collateral or which is necessary to disclose in order to keep the foregoing representations and warranties from being misleading.

3.15 Continuing Effect. All representations, warranties and covenants of Seller contained in this Agreement and any other agreement with Purchaser shall be true and correct at the time of the effective date of each such agreement and shall be deemed continuing and shall remain true, correct and in full force and effect until payment and satisfaction in full of all of the Obligations, and Seller acknowledges that Purchaser is and will be expressly relying on all such representations, warranties and covenants in making advances to Seller.

3.16 No Violation of Federal or State Law. No Account or any contract related thereto in any manner violates any law, statute, regulation or ordinance of any governmental entity, or any agency thereof, applicable thereto.

3.17 Notification of Violations. Seller shall within five (5) business days notify Purchaser in writing of any violation of any law, statute, regulation or ordinance of any governmental entity, or any agency thereof, applicable to Seller which may materially affect the Collateral or Seller's operations.

4. Additional Continuing Duties of Seller.

4.1 Duties Regarding Accounts.

(a) Seller shall deliver to Purchaser schedules and assignments of all Accounts on Purchaser's standard form; provided, however, that Seller's failure to execute and deliver the same shall not affect or limit Purchaser's security interest and other rights in and to all of Seller's Accounts, nor shall Purchaser's failure to purchase a specific Account affect or limit Purchaser's security interest and other rights therein. Together with each such schedule and assignment, or later if requested by Purchaser, Seller shall furnish Purchaser with copies (or, at Purchaser's request, originals) of all contracts, orders, invoices, bills of lading, receiving documents, shipping receipts, shipper contracts, rate confirmations, original shipping instructions, delivery receipts, other evidence of delivery, time records, and any other documents requested by Purchaser for any goods or services which gave rise to such Accounts. In addition, Seller shall, at Purchaser's request, immediately deliver to Purchaser the originals of all instruments, chattel paper, security agreements, guaranties and other documents and property evidencing or securing any Accounts, along with all necessary endorsements (all of which shall be with recourse).

(b) Purchaser shall have the sole and exclusive right to collect the Accounts. All monies, checks, notes, drafts, money orders, acceptances and other things of value and items of payment, together with any and all related vouchers, identifications, communications and other data, documents and instruments, which for any reason may be received by Seller (or by any receiver, trustee, custodian or successor in interest of Seller, or any person acting on behalf of Seller) in payment of, or in reference to, the Accounts shall belong to Purchaser, and, not later than one (1) business day after receipt thereof by Seller, Seller shall deliver the same to Purchaser, at Purchaser's office in the original form in which the same are received, together with any necessary endorsements, including, without limitation, the endorsement of Seller, all of which endorsements shall be with full recourse. Seller shall have no right, and agrees not to commingle any of the proceeds of any of the collections of the Accounts with Seller's own funds and Seller agrees not to use, divert or withhold any such proceeds. The parties hereto agree that if any payment on account of a purchased Account which has been received by Seller is not delivered in kind to Purchaser on the next business day following the date of receipt by Seller; it will be impracticable or extremely difficult to determine the resulting damages suffered by Purchaser. It is therefore agreed that in the event of such a breach by Seller, Seller shall immediately pay Purchaser the Misdirected Payment Fee as liquidated damages for Seller's breach of the foregoing warranty. Purchaser may charge to the Obligations all costs and expenses incurred by Purchaser in collecting Accounts, including, without limitation, travel expenses, postage, telephone and telegraph charges, salaries of Purchaser personnel, and attorneys' fees.

(c) Within two (2) business days of Seller's receipt of notice of the following events, Seller shall immediately notify Purchaser of (A) all Disputes and claims with respect to the Accounts and (B) any actual or imminent bankruptcy,

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insolvency, or material impairment of the financial condition of any Account Debtor for Seller's Eligible Accounts. Seller shall not, without Purchaser's prior written consent, or as otherwise provided for in this Agreement compromise or adjust any Account, or grant any discount, credit, allowance, or extension of time for payment to any Account Debtor. Purchaser shall have the right, in its sole and absolute discretion, to settle, accept reduced amounts and adjust Disputes and claims directly with, and give releases on behalf of Seller to Account Debtors for cash, credit or otherwise, upon terms which Purchaser, in its sole and absolute discretion, considers advisable, and in such case, Purchaser will credit Seller's account with only the net amounts of cash received by Purchaser in payment of the Accounts, less all costs and expenses (including, without limitation, attorneys' fees) incurred by Purchaser in connection with the settlement or adjustment of such Disputes and the collection of such Accounts.

4.2 Insurance. Seller shall, at all times, and for such periods of time as Purchaser may require, at Seller's expense, insure all of the insurable Collateral. At the request of Purchaser, all insurance policies, covering the insurable Collateral, shall name Purchaser as the exclusive loss payee, shall provide that proceeds payable thereunder shall be payable directly to Purchaser, and shall also provide that no act or default of Seller or any other person shall affect the right of Purchaser to recover thereunder. Upon receipt of the proceeds of any such insurance, Purchaser shall apply such proceeds in reduction of the Obligations, whether or not then due, in such order and manner as Purchaser shall determine, in its sole discretion. Seller shall provide Purchaser with the original or a certificate of each such policy of insurance which shall contain a provision requiring the insurer to give not less than twenty (20) calendar days advance written notice to Purchaser in the event of cancellation or termination of the policy for any reason whatsoever. If Seller fails to provide or pay for any such insurance, Purchaser is authorized (but not obligated) to procure the same at Seller's expense. Seller agrees to deliver to Purchaser, promptly as rendered, true and correct copies of all reports, made to all insurance companies regarding the insurable Collateral.

4.3 Reports, Certificates. At its sole cost and expense, Seller shall report, in form satisfactory to Purchaser, such information as Purchaser may request regarding the Collateral; such reports shall be for such periods, shall reflect Seller's records at such time and shall be rendered with such frequency as Purchaser may designate. At its sole cost and expense, Seller shall promptly provide Purchaser with all such other information concerning its affairs as Purchaser may request from time to time hereafter, and shall immediately notify Purchaser of any adverse change in Seller's financial condition and or any condition or event which constitutes a breach or an Event of Default under this Agreement. All reports furnished to Purchaser shall be complete, accurate and correct in all respects at the time furnished.

4.4 Access to Collateral, Books and Records. At any and all times, Purchaser, and any person designated by Purchaser, shall have free access to, and the right without hindrance or delay, to inspect, audit, examine and test the Collateral and any other property of Seller, wherever located, and to inspect, audit, check, copy and make extracts from Seller's and Seller's accountant's books, records and accounts (hereinafter collectively the "Records") and all computer data containing the same, no matter where the Records are stored. Seller hereby irrevocably authorizes and directs any person including, but not limited to, any of Seller's directors, members, officers, employees, agents, accountants and attorneys having possession or control of any of the Records to physically deliver them to Purchaser or any person designated by Purchaser upon Purchaser's request or, at the option of Purchaser, make them available to Purchaser wherever the Records may be located. Seller waives the benefit of any evidentiary privilege precluding or limiting the disclosure, divulgence or delivery of any of the Records.

4.5 Prohibited Transactions; Notification of Changes. Seller shall not hereafter, without prior written notice to Purchaser and Purchaser's prior written consent: make any change in Seller's name, identity, corporate or capital structure; alter any of Seller's business objectives, purposes, or operations or financial structure in such a manner as to adversely affect the ability of Seller to pay or perform any of the Obligations; or sell, lease, transfer, assign or otherwise dispose of any of the Collateral. Seller will promptly notify Purchaser in writing of any change of its officers, members, directors, partners, or key employees, a death of any partner or joint venturer (if Seller is a partnership or joint venture) and any adverse or material change in the business or financial affairs of Seller.

4.6 Litigation Cooperation. Should any suit or proceeding be instituted by or against Purchaser with respect to any Collateral or for the collection of enforcement of any Account, or in any manner relating to Seller, Seller shall, without expense to Purchaser, and wherever and whenever designated by Purchaser, make available Seller and its officers, employees, and agents, and Seller's books, records, and accounts to the extent that Purchaser may deem necessary in order to prosecute or defend any such suit or proceeding.

4.7 IRS Tax Authorization Form 8821. Seller shall fully complete and execute, as taxpayer, prior to or immediately upon the execution of this Agreement, a Form 8821 issued by the Department of the Treasury, Internal Revenue Service, or such other forms as may be requested by Purchaser, to irrevocably authorize Purchaser to, among other things, inspect or receive tax information relating to any type of tax, tax form, years or periods, as desired by Purchaser on an ongoing basis. Seller shall not rescind any document executed pursuant to this Section.

4.8 Execute Additional Documentation. Seller agrees, at its sole cost and expense, on demand by Purchaser, to do all things and to execute all such security agreements, control agreements, assignments, affidavits, reports, notices, schedules of Accounts and all other documents, in form satisfactory to Purchaser, as Purchaser, in its sole discretion, may deem necessary or useful in order to perfect and maintain Purchaser's perfected first-priority security interest in the Collateral and in order to fully consummate all of the transactions contemplated under this Agreement.

4.9 Vendors and Subcontractors. Seller shall identify to Purchaser and pay in full all vendors, suppliers and subcontractors that performed work related to any Account, or that otherwise has or may have an interest in an Account or lien rights against any Account or Account Debtor (collectively a "Lien Right"). Upon notice by Purchaser, Seller shall provide Purchaser with written proof of payment and/or release of Lien Rights in a form acceptable to Purchaser. Purchaser may negotiate and pay, or settle, any unpaid vendor or subcontractor who may assert a Lien Right, and any such payment by Purchaser shall be part of the Obligations.

5. Application of Payments. Checks, instruments and all other non-cash payments delivered to Purchaser in payment or on

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account of the Accounts or the Obligations constitute conditional payment only until such items are actually paid in cash to Purchaser, for the purpose of computing fees earned by Purchaser, credit therefore and for bank wire transfers, shall be given after receipt by Purchaser. All payments made by or on behalf of, and all credits due to Seller, may be applied and reapplied in whole or in part to any of the Obligations to such extent and in such manner, as Purchaser shall determine in its sole discretion. Purchaser shall have the continuing exclusive right to apply and reapply any and all such payments in such manner as Purchaser shall determine in its sole discretion, notwithstanding any entry by Purchaser upon any of its books and records. Any payments received on any Account not factored by Purchaser shall be placed in the Reserve.

6. Events of Default and Remedies.

6.1 Events of Default. The occurrence of any one of more of the following shall constitute an Event of Default hereunder: (a) Seller fails to pay or perform any Obligation as and when due; (b) there shall be commenced by or against Seller any voluntary or involuntary case under the United States Bankruptcy Code, or any assignment for the benefit of creditors, or appointment of a receiver or custodian for any of its assets, or Seller makes or sends notice of a bulk transfer; (c) Seller or any guarantor of the Obligations shall become insolvent in that its debts are greater than the fair value of its assets, or Seller is generally not paying its debts as they become due or is left with unreasonably small capital; (d) any lien, garnishment, attachment, execution or the like is issued against or attaches to the Seller, Accounts purchased under this Agreement, or the Collateral; (e) Seller shall breach any covenant, agreement, warranty, or representation set forth in this Agreement; (f) Seller delivers any document, financial statement, schedule or report to Purchaser which is false or incorrect; (g) Purchaser, at any time, acting in good faith and in a commercially reasonable manner, deems itself insecure; (h) any present or future guarantor of the Obligations revokes, terminates or fails to perform any of the terms of any guaranty, endorsement or other agreement of such party in favor of Purchaser or any affiliate of Purchaser; or (i) Seller fails to pay or perform any obligation as and when due under any other credit agreement with Fidelity Bank.

6.2 Remedies. Upon the occurrence of any Event of Default, and at any time thereafter, Purchaser, at its option, and without notice or demand of any kind (all of which are hereby expressly waived by Seller) may do any one or more of the following: (a) cease advancing money or extending credit to or for the benefit of Seller under this Agreement, and any other document or agreement; (b) accelerate and declare all or any part of the Obligations to be immediately due, payable, and performable, notwithstanding any deferred or installment payments allowed by any instrument evidencing or relating to any Obligation; (c) take possession of any or all of the Collateral wherever it may be found, and for that purpose Seller hereby authorizes Purchaser without judicial process to enter onto any of the Seller's premises without hindrance to search for, take possession of, keep, store, or remove any of the Collateral and remain on such premises or cause a custodian to remain thereon in exclusive control thereof without charge for so long as Purchaser deems necessary in order to complete the enforcement of its rights under this Agreement or any other agreement; provided, however, that should Purchaser seek to take possession of any or all of the Collateral by Court process or through a receiver, Seller hereby irrevocably waives: (i) any bond and any surety or security relating thereto required by any statute, court rule or otherwise as an incident to such possession; (ii) any demand for possession prior to the commencement of any suit or action to recover possession thereof; and (iii) any requirement that Purchaser retain possession of and not dispose of any such Collateral until after trial or final judgment; (d) require Seller to assemble any or all of the Collateral and make it available to Purchaser at a place or places to be designated by Purchaser which is reasonably convenient to Purchaser and Seller, and to remove the Collateral to such locations as Purchaser may deem advisable; (e) place a receiver in exclusive control of Seller's business and/or any or all of the Collateral, in order to assist Purchaser in enforcing its rights and remedies; (f) sell, ship, reclaim, lease or otherwise dispose of all or any portion of the Collateral in its condition at the time Purchaser obtains possession or after further manufacturing, processing or repair; at any one or more public and/or private sale(s) (including execution sales); in lots or in bulk; for cash, exchange for other property or on credit; and to adjourn any such sale from time to time without notice other than oral announcement at the time scheduled for sale; (g) demand payment of, and collect any Accounts, Instruments, Chattel Paper, Supporting Obligations and General Intangibles comprising part or all of the Collateral; or (h) demand and receive possession of any of Seller's federal and state income tax returns and the books, records and accounts utilized in the preparation thereof or referring thereto. Any and all attorneys' fees, expenses, costs, liabilities and obligations incurred by Purchaser with respect to the foregoing shall be added to and become part of the Obligations, and shall be due on demand. In addition to the foregoing, Seller shall pay to Purchaser the Default Factoring Fee upon an Event of Default, which fee shall continue to accrue until such time as the Event of Default is cured or until all Obligations are paid in full. Purchaser shall have the right to conduct any disposition of the Collateral on Seller's premises without charge for such time. The Collateral need not be located at the place of disposition and any sale of the Collateral may be conducted over the internet. Purchaser may directly or through any affiliated company purchase or lease any Collateral at any such public disposition and, if permissible under applicable law, at any private disposition. Any sale or other disposition of Collateral shall not relieve Seller of any liability Seller may have if any Collateral is defective as to title or physical condition at the time of sale.

6.3 Application of Proceeds from Disposition or Collection of Collateral; Liability of Seller for Deficiency. The proceeds received by Purchaser from the disposition of or collection of any of the Collateral shall be applied to such extent and in such manner as Purchaser shall determine in its sole discretion. If after application of the proceeds, any deficiency shall arise for any reason whatsoever, under any of the Obligations, including, but not limited to, any outstanding Factoring Fee, Minimum Monthly Discount Fee, Default Factoring Fee, or attorneys' fees and costs incurred by Purchaser pursuant to this Agreement, Seller shall remain liable to Purchaser therefore. In the event that, as a result of the disposition of any of the Collateral, Purchaser directly or indirectly enters into a credit transaction with any third party, Purchaser shall have the option, exercisable at any time, in its sole discretion, of either reducing the Obligations by the principal amount of such credit transaction or deferring the reduction thereof until the actual receipt by Purchaser of cash therefore from such third party. This Section shall survive any termination, however arising, of this Agreement and any other present or future agreement.

6.4 Online Access. Upon an Event of Default, all of Seller's rights and access to any online internet services that Purchaser makes available to Seller shall be provisional pending Seller's curing of all such Events of Default and Purchaser may elect to terminate Seller's online access as provided for herein. During such period of time, Purchaser may limit or terminate Seller's access to online services. Seller acknowledges that the information Purchaser makes available to Seller through online internet access, both before and after an

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Event of Default, constitutes and satisfies any duty to respond to a request for accounting or request regarding a statement of account that is referenced in the UCC.

6.5 Standards of Commercial Reasonableness. After an Event of Default, the parties acknowledge that it shall be presumed commercially reasonable and Purchaser shall have no duty to undertake to collect any Account, including those in which Purchaser receives information from an Account Debtor that a Dispute exists. Furthermore, in the event Purchaser undertakes to collect or enforce an obligation of an Account Debtor or any other person obligated on the Collateral and ascertains that the possibility of collection is outweighed by the likely costs and expenses that will be incurred, Purchaser may at any such time cease any further collection efforts and such action shall be considered commercially reasonable. Before Seller may, under any circumstances, seek to hold Purchaser responsible for taking any commercially unreasonable action, Seller shall first notify Purchaser in writing, of all of the reasons why Seller believes Purchaser has acted in any commercially unreasonable manner and advise Purchaser of the action that Seller believes Purchaser should take. In any action where Seller asserts a claim of commercial reasonableness, the burden of proof shall remain and be on the Seller, at the highest standard of proof for civil cases.

6.6 Remedies Cumulative. In addition to the rights and remedies set forth in this Agreement, Purchaser shall have all the other rights and remedies accorded a secured party under the UCC and under any and all other applicable laws and in any other instrument or agreement now or hereafter entered into between Purchaser and Seller and all of such rights and remedies are cumulative and none is exclusive. Any exercise or partial exercise by Purchaser of one or more of its rights or remedies shall not be deemed an election, nor bar Purchaser from subsequent exercise or partial exercise of any other rights or remedies. The failure or delay of Purchaser to exercise any rights or remedies shall not operate as a waiver thereof, but all rights and remedies shall continue in full force and effect until all of the Obligations have been fully paid and performed. Purchaser may in its sole discretion, elect not to its rights and remedies following an Event of Default after electing to do so in writing, and in addition to other conditions as may be required at such time, Seller shall pay to Purchaser the Default Waiver Fee, as set forth in Schedule A, 5.

6.7 Formation of New Entity. In the event Seller or any one or more of its principals, officers or directors during the term of this Agreement or while Seller remains liable to Purchaser for any Obligations under the Agreement or arising out of or related to the Agreement, (i) forms a new entity; or (ii) has failed to disclose to Purchaser at the time of the Effective Date an existing entity, that does business similar to that of Seller, whether in the form of a corporation, partnership, limited liability company or otherwise, such entity shall be deemed to have expressly assumed the Obligations due Purchaser by Seller under the Agreement. Upon the formation of any such entity, Purchaser, in addition to all of its available remedies, shall be deemed to have been granted an irrevocable power of attorney with authority to file a new financing statement with the appropriate secretary of state or UCC filing office naming the newly formed successor business or undisclosed existing business, as a debtor or new debtor. Purchaser shall have the right to notify the successor entity's or undisclosed existing entity's Account Debtors of Purchaser's security interest, its right to collect all Accounts, and to notify any new secured party who has sought to obtain a competing security interest of Purchaser's right in such entity's assets. Seller shall indemnify Purchaser, pursuant to Section 8.5 herein, from any claims against Purchaser which arises out of Purchaser exercising any of its rights hereunder.

7. Power of Attorney. Seller grants to Purchaser an irrevocable power of attorney coupled with an interest authorizing and permitting Purchaser (acting through any of its employees, attorneys or agents) at any time, at its option but without obligation, with or without notice to Seller, and at Seller's sole expense, to do any or all of the following, in Seller's name or otherwise: (a) execute on behalf of Seller any document that Purchaser may, in its sole discretion, deem advisable in order to perfect, maintain or improve Purchaser's security interests in the Collateral or other real or personal property intended to constitute Collateral, or in order to exercise a right of Seller or Purchaser, or in order to fully consummate all the transactions contemplated under this Agreement, and all other present and future agreements; (b) at any time after the occurrence of an Event of Default, execute on behalf of Seller any document exercising, transferring or assigning any option to purchase, sell or otherwise dispose of or to lease (as lessor or lessee) any real or personal property; (c) execute on behalf of Seller, any invoices relating to any Account, any draft against any Account Debtor and any notice to any Account Debtor, any proof of claim in bankruptcy, any notice of lien, claim of mechanic's, materialman's or other lien, or assignment of satisfaction of mechanic's, materialman's or other lien; (d) take control in any manner of any cash or non-cash items of payment or proceeds of Collateral; endorse the name of Seller upon any instruments, notes, acceptances, checks, drafts, money orders, bills of lading, freight bills, chattel paper or other documents, evidence of payment or Collateral that may come into Purchaser's possession; (e) upon the occurrence of any Event of Default, to receive and open all mail addressed to Seller; and, in the exercise of such right, Purchaser shall have the right, in the name of Seller, to notify the Post Office authorities to change the address for the delivery of mail addressed to Seller to such other address as Purchaser may designate, including, but not limited to, Purchaser's own address; Purchaser shall turn over to Seller all of such mail not relating to the Collateral; such right to redirect mail granted to Purchaser is irrevocable and Seller shall not have the right to notify the Post Office to change the address for delivery after Purchaser has exercised such right; (f) upon the occurrence of any Event of Default, to direct any financial institution which is a participant with Purchaser in extensions of financing to or for the benefit of Seller, or which is the institution with which any deposit account is maintained, to pay to Purchaser all monies on deposit by Seller with said financial institution which are payable by said financial institution to Seller, regardless of any loss of interest, charge or penalty as a result of payment before maturity; (g) endorse all checks and other forms of remittances received by Purchaser "Pay to the Order of TCI Business Capital" or in such other manner as Purchaser may designate; (h) pay, contest or settle any lien, charge, encumbrance, security interest and adverse claim in or to any of the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; (i) grant extensions of time to pay, compromise claims and settle Accounts and the like for less than face value and execute all releases and other documents in connection therewith; (j) pay any sums required on account of Seller's taxes or to secure the release of any liens therefore, or both; (k) settle and adjust, and give releases of, any insurance claim that relates to any of the Collateral and obtain payment therefore, and make all determinations and decisions with respect to any such policy of insurance and endorse Seller's name on any check, draft, instrument or other item of payment or the proceeds of such policies of insurance; (l) instruct any accountant or other third party having custody or control of any books or records belonging to, or relating to, Seller to give Purchaser the same rights of access and other rights with respect thereto as Purchaser has under Section 4.4 of this Agreement; (m) act as the sole claims representative and administrator for filing, administering, and settling all claims for financial reimbursement for loss or damage of a shipment, arising from any

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Account; and (n) take any action or pay any sum required of Seller pursuant to this Agreement, and any other present or future agreements. Any and all sums paid and any and all costs expenses, liabilities, obligations and attorneys' fees incurred by Purchaser with respect to the foregoing shall be added to and become part of the Obligations. In no event shall Purchaser's rights, under the foregoing power of attorney or any of Purchaser's other rights under this Agreement be deemed to indicate that Purchaser is in control of the business, management or properties of Seller.

8. General.

8.1 True Sale. Seller and Purchaser acknowledge and agree that the sale of Accounts contemplated and covered under this Agreement is fully intended by the parties hereto as true sales governed by the provisions of Section 306.103 of the Texas Finance Code and Section 9.109(e) of the Texas Business and Commerce Code, as each may be amended from time to time, and, accordingly, legal and equitable title in all of Seller's Accounts sold to and purchased by Purchaser, from time to time hereunder, will pass to Purchaser.

8.2 Notices. Any written notice to be given under this Agreement will be in writing and sent to the person as follows: if to Seller: see Schedule A, No. 11; if to Purchaser: via email to legal@tcicapital.com. All notices shall be deemed delivered and received on the day sent. If there is more than one Seller, notice to any shall constitute notice to all; if Seller is a corporation, partnership or limited liability company, the service upon any member of the Board of Directors, general partner, managing member, officer, employee or agent shall constitute service upon Seller.

8.3 Payment in Full Checks. Seller authorizes Purchaser to accept, endorse and deposit on behalf of Seller any checks tendered by an Account Debtor "in full payment" of its obligation to Seller. Seller shall not assert against Purchaser any claim arising therefrom, irrespective of whether such action by Purchaser affects an accord and satisfaction of Seller's claims, under Section 3-311 of the UCC.

8.4 No Lien Termination without Release. In recognition of the Purchaser's right to have its attorneys' fees and other expenses incurred in connection with this Agreement secured by Collateral, notwithstanding payment in full of all Obligations by Seller, Purchaser shall not be required to record any terminations or satisfactions of any of Purchaser's liens on the Collateral unless and until Seller has executed and delivered to Purchaser a general release in a form suitable to Purchaser. Seller understands that this provision constitutes a waiver of its rights under Section 9-513 of the UCC.

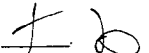
8.5 Indemnity. Seller shall indemnify and hold Purchaser harmless from and against any and all claims, debts, losses, demands, actions, causes of action, lawsuits, Avoidance Claims, damages, penalties, judgments, liabilities, costs and expenses (including, without limitation, attorneys' fees), of any kind or nature which Purchaser may sustain or incur in connection with, or arising from, this Agreement, any other present or future agreement, or the breach by Seller of any representation, warranty, covenant or provision contained herein or therein, or any other transaction contemplated hereby or thereby or relating hereto or thereto, or any other matter, cause or thing whatsoever, occurred, done, omitted or suffered by Purchaser relating in any way to Seller. Notwithstanding any other provision of this Agreement to the contrary, the indemnity agreement set forth in this Section shall survive termination of this Agreement. If Seller fails to honor this Section of the Agreement after termination thereof, Purchaser shall have the right to re-file its UCC-1 financing statement and shall have the right to pursue any and all rights and remedies against Seller as contemplated by this Agreement, the UCC or any law or in equity. Purchaser may, in its sole discretion, hold or supplement a Reserve to account for any Avoidance Claim.

8.6 Attorneys' Fees and Costs. Seller shall forthwith pay to Purchaser the amount of all actual attorneys' fees and all other costs incurred by Purchaser under and pursuant to this Agreement, or any other present or future agreement, or in connection with any transaction, or with respect to the Collateral or the defense or enforcement of Purchaser's interests (whether or not Purchaser files a lawsuit against Seller), including any proceedings in Bankruptcy Court. In the event Purchaser files any lawsuit predicated on a breach of this Agreement or is in any way related to this Agreement, the Purchaser shall be entitled to recover its costs and attorneys' fees, including, but not limited to, attorneys' fees and costs incurred. All attorneys' fees and costs to which Purchaser may be entitled pursuant to this Section shall immediately become part of Seller's Obligations and shall be due on demand.

8.7 Benefit of Agreement; Third Party Beneficiary; Prohibition Against Assignment. The parties hereto expressly agree that Fidelity Bank is an intended beneficiary of the rights and remedies conferred in Sections 1.9 (Seller's Post-Termination Liability), 2.1 (Collateral), 2.2 (Filing Authorization), 6.1 (Events of Default), 6.2 (Remedies), 8.4 (No Lien Termination without Release), 8.5 (Indemnity), and 8.11 (Limitation of Actions) of this Agreement. The provisions of this Agreement shall be binding upon and inure to the benefit of the respective successors, assigns, heirs, beneficiaries and representatives of the parties hereto and of Fidelity Bank provided, however, that Seller may not assign or transfer any of its rights under this Agreement without the prior written consent of Purchaser, and any prohibited assignment shall be void. No consent by Purchaser to any assignment shall relieve Seller or any guarantor from its liability for the Obligations. Without limiting the generality of the foregoing, all rights and benefits of Purchaser under this Agreement may be exercised by any institution with which Purchaser maintains any rediscount, factoring or other relationship and by any other person or entity designated by Purchaser.

8.8 Joint and Several Liability. The liability of each Seller shall be joint and several and the compromise of any claim with, or the release of, any Seller shall not constitute a compromise with, or a release of, any other Seller.

8.9 General Waivers. The failure of Purchaser at any time or times hereafter to require Seller strictly to comply with any of the provisions, warranties, terms or conditions of this Agreement or any other present or future instrument or agreement between Seller and Purchaser shall not waive or diminish any right of Purchaser thereafter to demand and receive strict compliance therewith and with any other provision warranty, term and condition; and any waiver of any default shall not waive or affect any other default, whether prior or subsequent thereto and whether of the same or of a different type. None of the provisions, warranties, terms or conditions of this Agreement or

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other instrument or agreement now or hereafter executed by Seller and delivered to Purchaser shall be deemed to have been waived by any act or knowledge of Purchaser or its agents or employees, but only by a specific written waiver signed by a duly authorized officer, employee, or agent of Purchaser and delivered to Seller. Seller waives any and all notices or demands that Seller might be entitled to receive with respect to this Agreement, or any other agreement by virtue of any applicable law. Seller hereby waives demand, protest, notice of protest and notice of default or dishonor, notice of payment and nonpayment, release, compromise, settlement, extension or renewal of any commercial paper, instrument, Account, general intangible, document or guaranty at any time held by Purchaser on which Seller is or may in any way be liable, and notice of any action taken by Purchaser unless expressly required by this Agreement. Seller hereby ratifies and confirms whatever Purchaser may do pursuant to this Agreement and agrees that Purchaser shall not be liable for the safekeeping of the Collateral or any loss or damage thereto, or diminution in value thereof, from any cause whatsoever, any act or omission of any carrier, warehouseman, bailee, forwarding agent or other person, or any act of commission or any omission by Purchaser or its officers, employees, agents, or attorneys, or any of its or their errors of judgment or mistakes of fact or of law.

8.10 Section Headings, Construction. Section headings are used herein for convenience only. Seller acknowledges that the same may not describe completely the subject matter of the applicable Section, and the same shall not be used in any manner to construe, limit, define or interpret any term or provision hereof. This Agreement has been fully reviewed and negotiated between the parties and no uncertainty or ambiguity in any term or provision of this Agreement shall be construed strictly against Purchaser or Seller under any rule of construction or otherwise.

8.11 Limitation of Actions. Seller agrees that any claim or cause of action by Seller against Purchaser, its directors, officers, employees, agents, accountants or attorneys, based upon, arising from, or relating to this Agreement, or any other present or future agreement, or any other transaction contemplated hereby or thereby or relating hereto or thereto, or any other matter, cause or thing whatsoever, occurred, done, omitted or suffered to be done by Purchaser, its directors, officers, employees, agents, accountants, or attorneys, relating in any way to Seller, shall be barred unless asserted by Seller by the commencement of an action or proceeding in a court of competent jurisdiction by the filing of a complaint within six (6) months after the first act, occurrence or omission upon which such claim or cause of action, or any part thereof, is based, and the service of a summons and complaint on an officer of Purchaser, or on any other person authorized to accept service on behalf of Purchaser, within thirty (30) calendar days thereafter. Seller agrees that such six-month period provided herein shall not be waived, tolled, or extended except by the written consent of Purchaser, in its sole discretion. This provision shall survive any termination, however arising, of this Agreement and any other present or future agreement.

8.12 Severability. Should any provision, clause or condition of this Agreement be held by any court of competent jurisdiction to be void, invalid, inoperative, or otherwise unenforceable, such defect shall not affect any other provision, clause or condition, and the remainder of this Agreement shall be effective as though such defective provision, clause or condition had not been a part hereof.

8.13 Integration. This Agreement, along with any Definitions or Schedules referenced herein, and such other written agreements, documents and instruments as may be executed in connection herewith shall be construed together and constitute the entire, only and complete agreement between Seller and Purchaser, and all representations, warranties, agreements, and undertakings heretofore or contemporaneously made, which are not set forth herein or therein, are superseded hereby.

8.14 Amendment. The terms and provisions of this Agreement may not be waived, altered, modified or amended except in a writing executed by Seller and a duly authorized officer, employee, or agent of Purchaser.

8.15 Time of Essence. Time is of the essence in the performance by Seller of each and every Obligation under this Agreement.

8.16 Electronic Signatures. The parties may conduct business contemplated by this Agreement by electronic means. Each document, which is the subject of this Agreement, that a party has transmitted electronically to the other shall be intended as and constitute an original and deemed to contain a valid signature of the party for all purposes acknowledging, consenting to, authorizing and approving the terms of this Agreement or any subject matter applicable thereto. In furtherance of the above, Seller hereby authorizes Purchaser to regard the Seller's printed name or electronic approval for any document, agreement, assignment schedule or invoice as the equivalent of a manual signature by one of the Seller's duly authorized officers or agents. Seller's failure to promptly deliver to Purchaser any schedule, report, statement or other information required by this Agreement or any document related thereto shall not affect, diminish, modify or otherwise limit Purchaser's security interests in the Collateral or rights and remedies under this Agreement. Purchaser may rely upon, and assume the authenticity of, any such approval and material applicable to such approval, as the duly confirmed, authorized, and approved signature of Seller by the person approving same, which shall constitute an Authenticated Record for purposes of the UCC and shall satisfy the requirements of any applicable statute of frauds.

8.17 Credit Reports. Seller authorizes Purchaser to obtain credit reports for Seller and all guarantors at any time, in Purchaser's sole discretion.

8.18 Governing Law, Jurisdiction; Venue. This Agreement and all acts and transactions hereunder and thereunder and all rights and Obligations of Purchaser and Seller shall be governed, construed and interpreted in accordance with the internal laws of the State of Texas. Seller: (i) agrees that all actions or proceedings relating directly or indirectly hereto shall, at the option of Purchaser, be litigated in courts located within said state, and, that, at the option of Purchaser, the exclusive venue therefore shall be Harris County, State of Texas, or the Federal Court which hears cases which originate in Harris County, if such Federal Court is not in Harris County; (ii) consents to the jurisdiction and venue of any such court and consents to service of process in any such action or proceeding by personal delivery or any other

Sellers Initials

method permitted by law; and (iii) waives any and all rights Seller may have to object to the jurisdiction of any such court, or to transfer or change the venue of any such action or proceeding.

8.19 Waiver of Right to Jury Trial. PURCHASER AND SELLER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL IN ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, ANY OTHER PRESENT OR FUTURE INSTRUMENT OR AGREEMENT BETWEEN PURCHASER AND SELLER, AND ANY CONDUCT, ACTS OR OMISSIONS OF PURCHASER OR SELLER OR ANY OF THEIR DIRECTORS, MEMBERS, PARTNERS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS OR ANY OTHER PERSONS AFFILIATED WITH PURCHASER OR SELLER. PURCHASER AND SELLER ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. PURCHASER AND SELLER FURTHER WARRANT AND REPRESENT THAT EACH HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

8.20 Definitions. Capitalized terms used in this Agreement are set forth and defined in the Definitions and Index to Definitions attached hereto and made a part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement through their duly authorized officers or agents.

Dated: 11/17/2021 (the "Effective Date")

TCI Business Capital, a division of Fidelity Bank
(Purchaser)

By: Mark Zitzewitz
Name: Mark Zitzewitz
Its: Senior Vice President & General Counsel

LIFELINE STAFFING AGENCY LLC
(Seller)

By: Tigida Bangu
Name: TIGIDANKAY BANGURA
Its: SOLE MEMBER

DEFINITIONS AND INDEX TO DEFINITIONS

1. **Definitions and Index to Definitions.** The following terms set forth below and as applied in the Agreement shall have the following meanings. All capitalized terms not herein defined below or in the Agreement shall have that meaning as set forth in the Uniform Commercial Code as enacted in the State of Texas (the "UCC").

1.1 **"Accounts"** – shall have the meaning as set forth in the UCC, plus all contract rights, documents, notes, instruments, and all other forms of obligations owed to or owned by Seller, all general intangibles relating thereto, all proceeds thereof, all guaranties, supporting obligations and security therefore, and all goods and rights represented thereby and arising therefrom, including, but not limited to, returned, reclaimed and repossessed goods and the rights of stoppage in transit, replevin and reclamation.

1.2 **"ACH"** – the Automated Clearing House.

1.3 **"Avoidance Claim"** – means the assertion, complaint, judgment or otherwise against Purchaser, any payment Purchaser received with respect to any Account, whether the amount related thereto was paid by the Account Debtor, the Seller, on behalf of Seller or for its benefit, or any lien granted to Purchaser is avoidable (or recoverable from Purchaser) under the Bankruptcy Code, any other debtor relief statute, including, but not limited to, preference claims, avoidable transactions claims, fraudulent transfer claims, or through receivership, assignment for the benefit of creditors or any equivalent law, rule or regulation which relates to the adjustment of debtor and creditor relations.

1.4 **"Banking Day"** – means a day in which Fidelity Bank is open for business.

1.5 **"Collateral"** – all of Seller's now owned or hereafter acquired: Accounts, Equipment, Inventory, Goods, Financial Assets, Chattel Paper, Electronic Chattel Paper, Letters of Credit, Letter of Credit Rights, General Intangibles, Payment Intangibles, Investment Property, Deposit Accounts, Instruments, the Reserve, Commercial Tort Claims, Supporting Obligations, all books, records, files and computer data related to the foregoing, and all proceeds of the foregoing.

1.6 **"Default Factoring Fee"** – See Schedule A, No. 4.

1.7 **"Dispute"** – any dispute, deduction, claim, offset, defense or counterclaim of any kind whatsoever, regardless of whether the same is in an amount greater than, equal to or less than the Account concerned, regardless of whether the same is valid or bona fide, regardless of whether the same in whole or in part relates to the Account on which payment is being withheld or other Accounts or goods or services already paid for, and regardless of whether the same arises by reason of an act of God, civil strife, war, currency restriction, foreign political restriction or regulation, or the like, or any other reason.

1.8 **"Effective Date"** – See signature page.

1.9 **"Eligible Account"** – an Account which is acceptable for purchase as determined by Purchaser, in its sole discretion.

1.10 **"Environmental Laws"** – any federal, state or local law, rule, regulation or order relating to pollution, waste disposal, industrial hygiene, land use or the protection of human health, safety, or welfare, plant life or animal life, natural resources, the environment or property.

1.11 **"Events of Default"** – shall have that meaning as set forth in Section 6.1 herein.

1.12 **"Factoring Fee"** – See Section 1.3 and Schedule A, No. 2.

1.13 **"Invalid Invoice Fee"** – ten percent (10%) of the Gross Invoice Amount of any purchased Account as liquidated damages for failure to comply with Section 4.7(a) herein.

1.14 **"Lien Right"** – shall have that meaning as set forth in Section 4.9.

1.15 **"Maximum Factoring Advances Percentage"** – shall mean, as of the date of determination by Purchaser, in its sole discretion, an amount up to the percentage set forth in Schedule A, No. 1 of the Purchase Price of all outstanding Accounts purchased from Seller by Purchaser.

1.16 **"Minimum Monthly Discount Fee"** – See Schedule A, No. 3.

1.17 **"Missing Notation Fee"** – twenty percent (20%) of the Gross Invoice Amount of any purchased Account as liquidated damages for failure to comply with Section 1.6.

1.18 **"Misdirected Payment Fee"** – twenty percent (20%) of the amount of any payment on account of a purchased Account which has been received by Seller and not delivered in kind to Purchaser on the business day following receipt by Seller, or paid to Purchaser the following business day if Seller received payment electronically.

1.19 **"Obligations"** – shall mean and include each and all of the following: the obligation to pay and perform when due all debts and all obligations, liabilities, covenants, agreements, guaranties, warranties and representations of Seller to Purchaser or Fidelity Bank, of any and every kind and nature, whether heretofore, now or hereafter owing, arising, due or payable from Seller to Purchaser or Fidelity Bank; howsoever created, incurred, acquired, arising or evidenced; whether primary, secondary, direct, absolute, contingent, fixed, secured,

unsecured, or otherwise; whether as principal or guarantor; liquidated or unliquidated; certain or uncertain; determined or undetermined; due or to become due; as a result of present or future advances or otherwise; joint or individual; pursuant to or caused by Seller's breach of this Agreement, any Special Accommodation Agreement, any Fidelity Bank credit agreement, or any other present or future agreement or instrument, or created by operation of law or otherwise; evidenced by a written instrument or oral; created directly between Purchaser or Fidelity Bank and Seller or owed by Seller to a third party and acquired by Purchaser or Fidelity Bank from such third party; monetary or nonmonetary.

1.20 "Online Reporting Service" – shall mean the system set up on Purchaser's website where Purchaser provides Seller with pertinent information regarding the administration of this Agreement.

1.21 "Online Statement Of Account" – shall have that meaning as described in Section 1.7 herein.

1.22 "Online User Standards" – shall be set forth in Schedule A, No. 12 and incorporated into this Agreement.

1.23 "Original Term" – shall mean the term of this Agreement commencing on the Effective Date and concluding within the time frame as provided for in Schedule A, No. 7.

1.24 "Permitted Liens" – shall mean any liens disclosed to or known by TCI at the time of the first purchase of Accounts, to which TCI has assented.

1.25 "Prime Rate" – shall mean the Prime Rate as set by U.S. Bank, NA of Minneapolis Minnesota and if the foregoing bank does not set a prime rate, it will be such other bank as designated by Purchaser.

1.26 "Purchase Price" – shall have that meaning as described in Section 1.2 herein.

1.27 "Records" – shall have that meaning set forth in Section 4.4 herein.

1.28 "Renewal Term" – shall mean the term consecutive to the Original Term, equal in length to the Original Term, and automatically renewing for each consecutive period until termination of this Agreement as set forth in Section 1.8 herein.

1.29 "Reserve" – a bookkeeping account on the books of Purchaser representing an unpaid portion of the Purchase Price ("cash reserves") and collectible Accounts not advanced upon ("invoice reserves"), maintained by Purchaser to ensure Seller's performance with the provisions hereof.

1.30 "Special Accommodation" – shall mean financial accommodations that Purchaser may provide to Seller, in Purchaser's sole discretion, in excess of the Maximum Factoring Advances Percentage; an addendum letter agreement or other document, entered by and between Purchaser and Seller separate and apart from this Agreement, shall memorialize the fees, repayment terms, and other conditions governing the Special Accommodation (the "Special Accommodation Agreement"), and which shall be included in the Obligations.

Certificate Of Completion

Envelope Id: 122D9A4F690742C699E229907FA0E4BD
 Subject: Please DocuSign: Lifeline Staffing Agency LLC .pdf
 Source Envelope:
 Document Pages: 23
 Certificate Pages: 5
 AutoNav: Enabled
 EnvelopeId Stamping: Enabled
 Time Zone: (UTC-06:00) Central Time (US & Canada)

Status: Completed

Envelope Originator:
 Jill Shields
 7600 Parklawn Ave. Suite #250
 Edina, MN 55435
 jshields@tcicapital.com
 IP Address: 209.23.135.210

Record Tracking

Status: Original
 11/17/2021 1:11:33 PM

Holder: Jill Shields
 jshields@tcicapital.com

Location: DocuSign

Signer Events

Tigidankay Bangura
 lifeline@lifelinestaffingagency.com
 CEO
 Security Level: Email, Account Authentication
 (Optional), Authentication

Signature


Signature Adoption: Drawn on Device
 Using IP Address: 172.58.158.228
 Signed using mobile

Timestamp

Sent: 11/17/2021 1:21:18 PM
 Viewed: 11/17/2021 2:28:52 PM
 Signed: 11/17/2021 2:30:12 PM

Authentication Details

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 Result: passed
 Vendor ID: LexisNexis
 Type: iAuth
 Recipient Name Provided by: Recipient
 Information Provided for ID Check: Address,
 SSN9, SSN4, DOB
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Question Details:
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 passed property.association.single.real

Electronic Record and Signature Disclosure:

Accepted: 11/17/2021 2:28:52 PM
 ID: 7ff9ec04-3937-4d4d-9133-990a0f8467f1
 Company Name: TCI Business Capital

Mark Zitzewitz
 mztzewitz@tcicapital.com
 SVP & General Counsel
 TCI Business Capital
 Security Level: Email, Account Authentication
 (Optional)



Signature Adoption: Pre-selected Style
 Using IP Address: 174.199.33.90
 Signed using mobile

Sent: 11/17/2021 2:30:14 PM
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 Signed: 11/17/2021 3:13:58 PM

Electronic Record and Signature Disclosure:
 Not Offered via DocuSign

In Person Signer Events**Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp**

SCHEDULE A TO FACTORING, SECURITY AND SERVICING AGREEMENT

1. **Maximum Factoring Advances Percentage:** 90% of the Purchase Price of each Eligible Account purchased under this Agreement. Purchaser may adjust the Maximum Factoring Advances Percentage upward or downward at any time, in its sole discretion.
2. **Factoring Fee:** The Factoring Fee will be calculated based on the number of calendar days from and including the day in which an Account is purchased by Purchaser, to and including the business day following receipt of payment on a purchased Account. An additional fee based upon the amount advanced shall be calculated daily (on the basis of actual days elapsed in a 360-day year) at a rate equal to the Prime Rate plus 2%. In calculating the Factoring Fee Purchaser credit for payments received shall be made pursuant to Section 5 and Schedule A, 10 hereto 5 Banking Days for the clearance of funds for payments received on Accounts, whether paid by check, wire transfer, ACH or otherwise.

The Factoring Fee charged to Seller is based on a volume of sales of Accounts purchased under this Agreement which total \$80,000 per month ("Contracted Volume"). In the event Seller offers acceptable accounts totaling more or less than the Contracted Volume during the 30-day initial term or any subsequent extension, Purchaser shall adjust the Factoring Fee chargeable to Seller on the first business day of the subsequent calendar month, with the initial adjustment occurring no fewer than 30 days after the initial funding date. Factoring Fee adjustments shall be made by applying the fee based on the prior month's actual volume as follows:

Purchased Account Volume	Fees
Less than \$49,999	2.50% with Prime + 2.00%
\$50,000 to \$99,999	2.00% with Prime + 2.00%
\$100,000 to \$249,999	1.50% with Prime + 2.00%
\$250,000 to \$499,999	1.30% with Prime + 2.00%
\$500,000 to \$749,999	1.10% with Prime + 2.00%
\$750,000 to \$999,999	0.90% with Prime + 2.00%
\$1,000,000 and above	0.80% with Prime + 2.00%

3. **Minimum Monthly Discount Fee:** Factoring Fee multiplied by the Contracted Volume.
4. **Default Factoring Fee:** (The Factoring Fee plus 3.00%)
5. **Default Waiver Fee:** If allowed in Purcher's sole discretion shall be (Not Applicable).
6. **Fees and costs:** The following is a list of the most commonly charged fees and expenses. Prices and or cost of the below mentioned items are subject to change. This is not intended to be comprehensive, but only a guide to frequently incurred reimbursable expenses and fees incurred by TCI Clients:

Standard Charges:

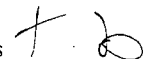
1. Standard ACH Transfer and Receipt	\$12.95
2. Special Wire Request (As approved by TCI)	\$25.00
3. Standard FTS (EPS)/ T-Chek/ Comdata Transfer	\$2.00
4. Invoice in Dispute	\$10.00
5. Priority Postage Charge* (Per every debtor with a \$5,000 or greater invoice)	\$8.15
7. Tax Guard (Monthly Report)	\$20.00

*As a benefit to our client's and their customers, we mail out any billing that is \$5000, or greater via Priority mail. This helps prevent mail delay, ensure proper delivery, and to prevent additional collection fees

Preventable Charges

1. New Customer Setup Avoidable by pre-approving your customer's credit by calling our free Credit Service Desk (888) 588-6522 prior to completing the work.	\$4.50
2. Advance not noted (Based on gross amount of invoices)	20.00%
3. Misdirected Payment Fee (Based on gross amount of invoices)	20.00%

Sellers Initials



7. **Original Term:** 1 Month(s).
8. **Trade Names and Styles:** _____
9. **Address(es) Where Seller Transacts Business and Address(es) for Location of Collateral:**

10. **Application of Payments:** 5 banking day(s) for computation of factoring fee after receipt by Purchaser.
11. **Notice to Seller:** 2227 OLD BRIDGE RD, WOODBRIDGE, VA, 22192.
12. **Online User Standards:** Purchaser and Seller intend to conduct business contemplated by this Agreement through the internet and through Purchaser's system on Purchaser's website where Purchaser provides Seller with pertinent information regarding the administration of this Agreement (the "Online Reporting Service"). Purchaser is the sole and exclusive owner of the Online Reporting Service. Seller hereby accepts a non-exclusive, non-transferable right to access the Online Reporting Service, upon the terms and subject to the conditions contained herein.

12.1 Standards Regarding Conducting Business Online. Seller and Purchaser agree as follows:

12.1.1 Purchaser shall have the right to terminate Seller's access to the Online Reporting Service upon the occurrence of an Event of Default or at any other time within Purchaser's sole discretion.

12.1.2 Seller shall not: (i) copy the Online Reporting Service nor otherwise reproduce the same other than for normal system operation backup; (ii) translate, adapt, vary, or modify the Online Reporting Service; or (iii) disassemble, decompile or reverse engineer the Online Reporting Service.

12.1.3 Purchaser shall not be liable to Seller for any loss or damage whatsoever or howsoever caused, whether caused by tort (including negligence), breach of contract, or otherwise arising directly or indirectly in connection with the use of the Online Reporting Service.

12.1.4 Purchaser expressly excludes liability for any indirect, special, incidental or consequential loss or damage whether caused by tort (including negligence), breach of contract or otherwise, which may arise in respect of the Online Reporting Service, its use, or in respect of equipment or property, or for loss of profit, business, revenue, goodwill or anticipated savings.

12.1.5 Seller acknowledges that any and all of the copyright, trademarks, trade names, patents and other intellectual property rights subsisting in or used in connection with the Online Reporting Service, including all documentation and manuals relating thereto, are, and shall remain, the sole property of the Purchaser. Seller shall not, during or at any time after the expiration or termination of its use of the Online Reporting Service, in any way question or dispute the ownership by Purchaser thereof.

12.1.6 To the extent permitted by applicable law, Purchaser excludes all warranties with respect to the Online Reporting Service, either express or implied, including, but not limited to, any implied warranties of satisfactory quality or fitness for any particular purpose.

12.1.7 Seller is solely responsible for virus scanning the Online Reporting Service, and Purchaser makes no representations or warranties regarding any virus associated with the Online Reporting Services.

12.1.8 All information, data, drawings, specifications, documentation, software listings, source or object code which Purchaser may have imparted and may from time to time impart to the Seller relating to the Online Reporting Service is proprietary and confidential. Seller hereby agrees that it shall use the same solely in accordance with the provisions of this Agreement and that it shall not, at any time during or after expiration or termination of this Agreement, disclose the same, whether directly or indirectly, to any third party.

Sellers Initials *TS*

EXHIBIT B



7600 Parklawn Ave., Suite #250
Edina, MN 55435
Toll Free: 800-881-9589
www.TCICapital.com

NOTICE OF SALE AND ASSIGNMENT OF ACCOUNTS OF

LIFELINE STAFFING AGENCY LLC

Gentlemen and/or Madam:

TCI Business Capital, a division of Fidelity Bank ("TCI") is a financial organization that assists in the development and growth of selected companies like LIFELINE STAFFING AGENCY LLC (our "Client"). We have created a program involving the purchase of accounts receivable to accommodate our Client's immediate and future cash needs. Cash flow is a vital ingredient for the success and growth of our Client. TCI's established record of providing the necessary funds to support this need helps to insure our Client's ability to perform and prosper.

Effective as of this date, all of the accounts receivable of our Client LIFELINE STAFFING AGENCY LLC have been assigned to TCI. This transaction is governed by the Uniform Commercial Code—Secured Transactions ("Code"). TCI is required to send this notice to you to fulfill the notice requirement of the Code. The relevant Code provisions also makes ineffective and invalid any agreement that may exist between you and our Client prohibiting assignment of accounts.

TCI and our Client LIFELINE STAFFING AGENCY LLC ask you to assist in this financial arrangement by complying with the following directive:

HENCEFORTH, PLEASE MAKE ALL PAYMENTS DUE ON ACCOUNTS WITH LIFELINE STAFFING AGENCY LLC PAYABLE TO TCI BUSINESS CAPITAL AND SEND YOUR PAYMENTS TO:

ACH & WIRE PAYMENTS:

To: Fidelity Bank
ABA#: 091014924
Account#: 216810
Beneficiary: TCI Business Capital
Payment Information: cashapplications@tcicapital.com

CHECK PAYMENTS:

TCI Business Capital
P.O. Box 9149
Minneapolis, MN 55480-9149


THIS IS AN IRREVOCABLE DIRECTIVE. IT CONTINUES IN FORCE UNLESS AND UNTIL YOU ARE NOTIFIED BY TCI OF ANY CHANGE. PAYMENT TO ANYONE OTHER THAN TCI BUSINESS CAPITAL'S NAME WILL NOT CONSTITUTE PAYMENT OF YOUR INDEBTEDNESS ON OUR CLIENT'S ACCOUNTS. WE INTEND TO RELY ON THE VALIDITY OF ACCOUNTS SUBMITTED TO US IN DETERMINING WHAT ADVANCES OF MONEY WE CAN MAKE TO OUR ABOVE-NAMED CLIENT. THEREFORE, IF THERE ARE PRESENTLY ANY ADJUSTMENTS, HOLD BACKS, SET-OFFS, REDUCTIONS OR QUALIFICATIONS OF ANY KIND APPLICABLE TO OUR CLIENT'S EXISTING ACCOUNTS WITH YOU, OR IF ANY SHOULD ARISE IN THE FUTURE, PLEASE IMMEDIATELY NOTIFY US OF THEIR EXISTENCE AND SPECIFIC NATURE.

Your assistance, cooperation and support will assure the success of our Client (your supplier), with its continued growth. LIFELINE STAFFING AGENCY LLC has agreed to this assignment in a separate contract with TCI, and to further indicate its willingness to assign its accounts receivable, has signed the original of this notice in the space provided. If you have any questions, please call TCI immediately at 952-656-3400.

READ AND ACKNOWLEDGED:
LIFELINE STAFFING AGENCY LLC

Sincerely,
TCI Business Capital

By:  Date 11/17/2021
Name TIGIDANKAY BANGURA


Mark Zitzewitz
Senior Vice President & General Counsel

Certificate Of Completion

Envelope Id: 122D9A4F690742C699E229907FA0E4BD
 Subject: Please DocuSign: Lifeline Staffing Agency LLC .pdf
 Source Envelope:
 Document Pages: 23
 Certificate Pages: 5
 AutoNav: Enabled
 EnvelopeId Stamping: Enabled
 Time Zone: (UTC-06:00) Central Time (US & Canada)

Status: Sent

Envelope Originator:
 Jill Shields
 7600 Parklawn Ave. Suite #250
 Edina, MN 55435
 jshields@tcicapital.com
 IP Address: 209.23.135.210

Record Tracking

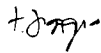
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Holder: Jill Shields
 jshields@tcicapital.com

Location: DocuSign

Signer Events

Tigidankay Bangura
 lifeline@lifelinestaffingagency.com
 CEO
 Security Level: Email, Account Authentication
 (Optional), Authentication

Signature


Signature Adoption: Drawn on Device
 Using IP Address: 172.58.158.228
 Signed using mobile

Timestamp

Sent: 11/17/2021 1:21:18 PM
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 Signed: 11/17/2021 2:30:12 PM

Authentication Details

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 Vendor ID: LexisNexis
 Type: iAuth
 Recipient Name Provided by: Recipient
 Information Provided for ID Check: Address,
 SSN9, SSN4, DOB
 Performed: 11/17/2021 2:28:42 PM

Question Details:
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 failed county.lived.single.real
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 passed property.street.in.city.fake
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Electronic Record and Signature Disclosure:

Accepted: 11/17/2021 2:28:52 PM
 ID: 7ff9ec04-3937-4d4d-9133-990a0f8467f1
 Company Name: TCI Business Capital

Mark Zitzewitz
 mzitzewitz@tcicapital.com
 SVP & General Counsel
 TCI Business Capital
 Security Level: Email, Account Authentication
 (Optional)

Sent: 11/17/2021 2:30:14 PM

Electronic Record and Signature Disclosure:
 Not Offered via DocuSign

In Person Signer Events**Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp**